

Washington State Institute for Public Policy

Benefit-Cost Results

Multisystemic Therapy (MST) for youth with serious emotional disturbance (SED)

Benefit-cost estimates updated June 2016. Literature review updated April 2012.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our Technical Documentation.

Program Description: Multisystemic Therapy (MST) is an intensive family-focused treatment, which combines aspects of cognitive, behavioral, and family therapies. Therapists work in the child's home, school, and community to modify his or her environment. Although MST is often conducted with juvenile offenders, the studies included here focused on children with externalizing problems who were not involved with the juvenile justice system at the time of intervention.

Benefit-Cost Summary Statistics Per Participant								
Benefits to:								
Taxpayers	\$3,502	Benefit to cost ratio	\$1.32					
Participants	\$4,192	Benefits minus costs	\$2,185					
Others	\$3,066	Chance the program will produce						
Indirect	(\$1,751)	benefits greater than the costs	61 %					
Total benefits	\$9,009							
Net program cost	(\$6,823)							
Benefits minus cost	\$2,185							

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2015). The chance the benefits exceed the costs are derived from a Monte Carlo risk analysis. The details on this, as well as the economic discount rates and other relevant parameters are described in our Technical Documentation.

Detailed Monetary Benefit Estimates Per Participant

Benefits from changes to:1	Benefits to:						
	Participants	Taxpayers	Others ²	Indirect ³	Total		
Crime	\$0	\$426	\$1,194	\$214	\$1,835		
Labor market earnings associated with high school graduation	\$3,342	\$1,518	\$1,539	\$667	\$7,065		
Child abuse and neglect	\$1,012	\$0	\$0	\$0	\$1,012		
Out-of-home placement	\$0	\$922	\$0	\$462	\$1,385		
K-12 grade repetition	\$0	\$29	\$0	\$14	\$43		
K-12 special education	\$0	\$451	\$0	\$226	\$678		
Health care associated with disruptive behavior disorder	\$109	\$336	\$416	\$169	\$1,030		
Costs of higher education	(\$271)	(\$180)	(\$84)	(\$90)	(\$625)		
Adjustment for deadweight cost of program	\$0	\$0	\$0	(\$3,414)	(\$3,413)		
Totals	\$4,192	\$3,502	\$3,066	(\$1,751)	\$9,009		

¹In addition to the outcomes measured in the meta-analysis table, WSIPP measures benefits and costs estimated from other outcomes associated with those reported in the evaluation literature. For example, empirical research demonstrates that high school graduation leads to reduced crime. These associated measures provide a more complete picture of the detailed costs and benefits of the program.

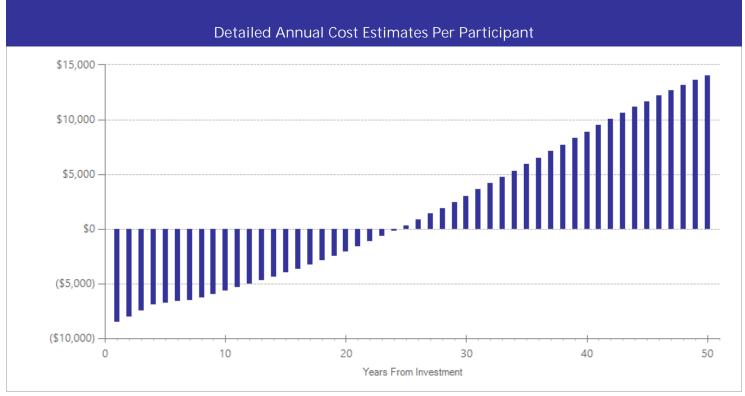
³"Indirect benefits" includes estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

Detailed Annual Cost Estimates Per Participant								
	Annual cost	Year dollars	Summary					
Program costs Comparison costs	\$7,076 \$850	2008 2010	Present value of net program costs (in 2015 dollars) Cost range (+ or -)	(\$6,823) 10 %				

MST-SED is typically provided for four to five months. Per-participant costs from Barnoski, R. (2009). *Providing evidence-based programs with fidelity in Washington state juvenile courts: Cost analysis.* Olympia: Washington State Institute for Public Policy, http://www.wsipp.wa.gov/rptfiles/09-12-1201.pdf.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta-analysis. The cost range reported above reflects potential variation or uncertainty in the cost estimate; more detail can be found in our Technical Documentation.

²"Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance.



The graph above illustrates the estimated cumulative net benefits per-participant for the first fifty years beyond the initial investment in the program. We present these cash flows in non-discounted dollars to simplify the "break-even" point from a budgeting perspective. If the dollars are negative (bars below \$0 line), the cumulative benefits do not outweigh the cost of the program up to that point in time. The program breaks even when the dollars reach \$0. At this point, the total benefits to participants, taxpayers, and others, are equal to the cost of the program. If the dollars are above \$0, the benefits of the program exceed the initial investment.

Meta-Analysis of Program Effects										
Outcomes measured	No. of effect sizes	Treatment N	Adjusted effect sizes and standard errors used in the benefit- cost analysis					Unadjusted effect size (random effects		
			First time ES is estimated			Second time ES is estimated			model)	
			ES	SE	Age	ES	SE	Age	ES	p-value
Crime	5	341	-0.062	0.081	16	-0.062	0.081	26	-0.060	0.502
Out-of-home placement	4	451	-0.279	0.124	16	-0.279	0.124	17	-0.459	0.009
Disruptive behavior disorder symptoms	6	443	-0.311	0.127	16	-0.148	0.091	19	-0.311	0.015
Substance abuse	2	72	-0.044	0.167	16	0.000	0.187	19	-0.051	0.762
Internalizing symptoms	2	72	-0.026	0.167	16	-0.019	0.130	18	-0.046	0.789
Suicidal ideation	1	78	-0.017	0.160	16	-0.008	0.083	19	-0.031	0.877
Hospitalization (psychiatric)	2	136	-0.415	0.344	16	-0.198	0.196	19	-0.719	0.256

Meta-analysis is a statistical method to combine the results from separate studies on a program, policy, or topic in order to estimate its effect on an outcome. WSIPP systematically evaluates all credible evaluations we can locate on each topic. The outcomes measured are the types of program impacts that were measured in the research literature (for example, crime or educational attainment). Treatment N represents the total number of individuals or units in the treatment group across the included studies.

An effect size (ES) is a standard metric that summarizes the degree to which a program or policy affects a measured outcome. If the effect size is positive, the outcome increases. If the effect size is negative, the outcome decreases.

Adjusted effect sizes are used to calculate the benefits from our benefit cost model. WSIPP may adjust effect sizes based on methodological characteristics of the study. For example, we may adjust effect sizes when a study has a weak research design or when the program developer is involved in the research. The magnitude of these adjustments varies depending on the topic area.

WSIPP may also adjust the second ES measurement. Research shows the magnitude of some effect sizes decrease over time. For those effect sizes, we estimate outcome-based adjustments which we apply between the first time ES is estimated and the second time ES is estimated. We also report the unadjusted effect size to show the effect sizes before any adjustments have been made. More details about these adjustments can be found in our Technical Documentation.

Citations Used in the Meta-Analysis

- Asscher, J.J., Dekovi, M., Manders, W.A., Laan, P.H., & Prins, P.J.M. (2013). A randomized controlled trial of the effectiveness of multisystemic therapy in the Netherlands: post-treatment changes and moderator effects. *Journal of Experimental Criminology*, 9, 169-187
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Washington State Institute for Public Policy

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